

USA Capital

First Trust Deed Investment

Borrower:

Homes for America Holding

Homes for America, a real estate investment company specializing in the acquisition, construction, and rehabilitation of select low-income and special situation residential properties throughout the United States. Homes for America, an SEC reporting company with nearly \$188 million in gross assets and controlling approximately 1,800 apartment units primarily in Texas and Florida, with a cumulative annual NOI of approximately \$7.7million.

The company focuses on value-added acquisitions of multi-family properties and leverages its position with astute use of government financing programs such as FNMA, FHA, HUD, and tax-free debt instruments. In addition, Homes for America is involved in selected urban development projects in which it can provide value-added development in conjunction with government subsidies or tax breaks.

Loan Amount:

\$16,050,000

Maturity:

January 7, 2007

Rate:

12 % net

Loan-to-Value:

Approximately 56% based on an appraisal from CB Richard Ellis dated December 15, 2005

Collateral:

First Deed of Trust on approximately 11 acres of land in West Palm Beach, Florida.

Use of Proceeds:

The proceeds of this loan acquired the property and provided funds for the pre-development of the excess land for the construction of condominiums.

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702-734-2400

Licensed by the State of Nevada Division of Mortgage Lending
USA Commercial Mortgage Company 4484 S. Pecos Rd, Las Vegas NV 89121
License #MB 333 2/10/2006

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The Project:

The property includes a 180-unit apartment complex, with units ranging in size from 775 to 1,080 square feet per unit. The site recently received approvals for 590 new condominium units, which will replace the existing apartments. Homes for America begun taking reservations for the units in October 2005, and currently 199 units have executed contracts. Construction for Phase I is expected to start in second quarter 2006 with an estimated completion date of fourth quarter 2007 and will contain one, 12-story tower containing 107 residential units, one, 16-story tower containing 143 residential units, one, six-story parking garage containing 30 residential lofts and 567 parking spaces, and a single story 3,206 square foot club house.

The site is located on Clear Lake in West Palm Beach, Florida, within 5 to 10 minutes from Palm Beach International Airport, The Intercoastal Waterway, Clematis Street District, a large retail shopping mall and many golf courses.

The Developer:

The project is being developed by Homes for America Holdings, Inc. a prior borrower of USA Capital. The company has been involved in the purchase, rehabilitation, and management of nearly 2,000 apartment units primarily in Texas and Florida. Homes for America is currently working on the rehabilitation and stabilization of the historic Colt Arms factory, or Coltsville Heritage Park, in downtown Hartford, Connecticut.

Homes for America has been a borrower of USA Capital since December 1998. In that time USA has funded 14 loans for the company, 7 loans have paid as agreed, and the remaining 7 are all paid current to date.

Guarantees:

The loan will be guaranteed by Homes for America Holdings, Inc. The company has an estimated market value of equity in their existing properties of approximately \$88 million.

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